

BEFORE THE SECURITIES COMMISSIONER

STATE OF COLORADO

Case No. XY 15 - CD - 04

STIPULATION FOR CONSENT CEASE AND DESIST ORDER CONCERNING RIO NATIONAL INSURANCE SERVICES, INC. AND STEVEN E. KERBEL

IN THE MATTER OF RIO NATIONAL INSURANCE SERVICES, INC. AND STEVEN E. KERBEL

The staff of the Colorado Division of Securities ("Staff") and Respondents Rio National Insurance Services, Inc. and Steven E. Kerbel ("Respondents") hereby enter into this Stipulation for Consent Cease and Desist Order in this matter as follows:

1. Pursuant to the authority provided in §11-51-601, C.R.S., the Staff conducted an investigation into the Respondents' offer and sale of certain securities in Colorado. Based on its investigation, the Staff alleges as follows:

- a. From approximately February 20, 2009 to approximately May 7, 2012, the Respondents engaged in offering and selling securities in Colorado;
- b. At all times relevant to this matter, Respondent Rio National Insurance, Inc. was located in Colorado Springs, CO and acted as the issuer of the securities;
- c. At all times relevant to this matter, Respondent Steven E. Kerbel was the President, Chief Executive Officer and control person of Rio National Insurance Services, Inc.
- d. The offers and sales included sales of notes to approximately 15 investors from Colorado and Kansas for an aggregate amount of approximately \$1.1 million;
- e. The terms of notes that were sold varied from one to three year promissory notes that promised to pay annual interest at rates that ranged from 8-12%.
- f. To conduct the offers and sales of the notes, the Respondents engaged in a practice of using an unlicensed sales representative from Kansas and paid her \$58,500.00 in commissions for the sales of the notes;
- g. The investment opportunity constituted at least the offer and sale of a "note", which is defined as a security under §11-51-201 (17) C.R.S;
- h. The Respondents' securities offering was not registered with the Securities Commissioner, nor was it exempt from registration; and
- i. The offer was performed in violation of §11-51-301 C.R.S. and § 11-51-401 C.R.S.

2. The Respondents have cooperated with the Staff in the investigation of this matter.

The Staff and the Respondents desire to resolve this matter without further litigation and, prior to the entry of a final order by the Securities Commissioner, hereby stipulate and agree as follows:

3. The Securities Commissioner for the State of Colorado has jurisdiction over the Respondents and the subject matter of this action.

4. The Respondents agree to the entry of a Consent Order in the form attached hereto as Exhibit A and incorporated herein by reference.

5. The Respondents assert that the outstanding principal balance owed to the investors is \$800,719.45. Further, the Respondents affirmatively represent that they have the ability to pay restitution to the remaining investors and agree to make full payment of restitution as follows:

- a. The Respondents agree to rescind the investments by paying restitution in the full remaining principal amount of \$800,719.45 plus all promised interest that has accrued, and will accrue, for each note, for each investor on, or before, June 30, 2015.
- b. Within two days of the date that the final payments are sent to the investors, Respondents agree to submit to the Staff true and correct copies of documents, including the copies of the checks or bank transfer records, which verify that payments were made as required. Failure to make the payments as required herein shall constitute a violation of this Consent Order and grounds for further sanctions and formal proceedings against them for such violation.

6. By entering into this Stipulation, the Respondents admit that the allegations and grounds set forth in this Stipulation are true.

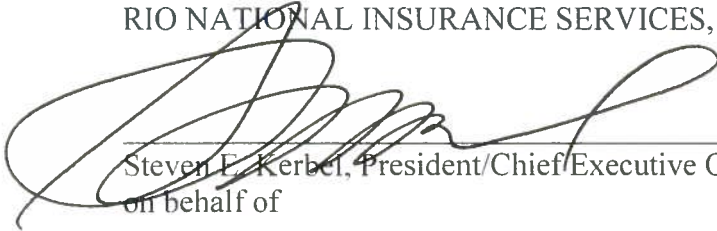
7. By entering into this Stipulation, the Respondents understand that they have the right to notice and a formal hearing pursuant to §11-51-606(1) and (1.5), C.R.S., the right to be represented by counsel of his choice, the right to present a defense through oral or documentary evidence and to cross-examine witnesses and to findings required by §11-51-606(1.5), C.R.S., at such hearing. By entering into this Stipulation, the Respondents expressly waive the rights set forth in this Paragraph 6, and further waive the right to seek judicial review of the Cease and Desist Consent Order entered pursuant to this Stipulation.

8. The Respondents acknowledge that they have entered into this Stipulation voluntarily, after the opportunity to consult with counsel of their choice, and with the understanding of the legal consequences of this Stipulation and Consent Cease and Desist Order.

9. The Respondents hereby waive the findings required by § 11-51-606(1.5)(d)(IV), C.R.S.; and, pursuant to § 11-51-704(2), C.R.S., agree that the entry of this Consent Cease and Desist Order is necessary and appropriate in the public interest and is consistent with the purposes and provisions of the Act.

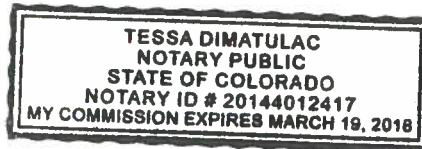
10. The Respondents further acknowledge that any violation of this Stipulation or Consent Order when issued may constitute grounds for further sanctions and formal proceedings against them for such violation.

RIO NATIONAL INSURANCE SERVICES, INC.

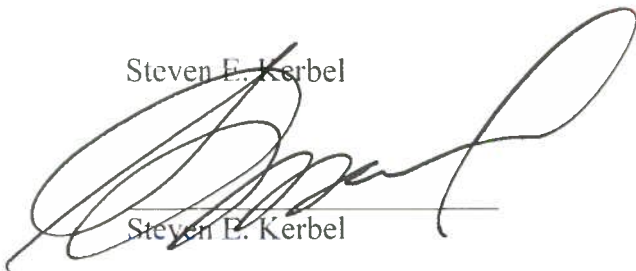

Steven E. Kerbel, President/Chief Executive Officer
on behalf of

Subscribed and sworn before me this 19 day of November, 2014 by Steven E. Kerbel.


Notary Public

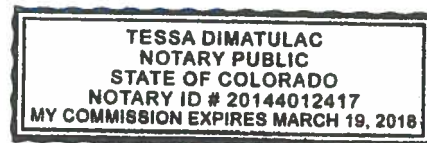


Steven E. Kerbel


Steven E. Kerbel

Subscribed and sworn before me this 19 day of November, 2014 by Steven E. Kerbel.


Notary Public



THE STAFF OF THE DIVISION OF SECURITIES

By: 
Lillian Alves
Deputy Securities Commissioner

11/24/14
Date